

(B), respectively, and by indenting such subparagraphs (as so redesignated) accordingly, and

(iii) by striking all that precedes “in a calendar year after 1989,” and inserting the following:

“(4) INFLATION ADJUSTMENT.—In the case of any taxable year beginning”.

(3) NONAPPLICATION OF EGTRRA SUNSET.—Section 901 of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to any amendment made by section 102 or 103 of such Act.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2010.

SEC. 102. REDUCED RATES ON CAPITAL GAINS AND DIVIDENDS MADE PERMANENT.

(a) IN GENERAL.—Section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (relating to sunset of title) is hereby repealed.

(b) 20-PERCENT CAPITAL GAINS RATE FOR CERTAIN HIGH INCOME INDIVIDUALS.—

(1) IN GENERAL.—Paragraph (1) of section 1(h) is amended by striking subparagraph (C), by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F) and by inserting after subparagraph (B) the following new subparagraphs:

“(C) 15 percent of the lesser of—

“(i) so much of the adjusted net capital gain (or, if less, taxable income) as exceeds the amount on which a tax is determined under subparagraph (B), or

“(ii) the excess (if any) of—

“(I) the amount of taxable income which would (without regard to this paragraph) be taxed at a rate below 36 percent, over

“(II) the sum of the amounts on which a tax is determined under subparagraphs (A) and (B),

“(D) 20 percent of the adjusted net capital gain (or, if less, taxable income) in excess of the sum of the amounts on which tax is determined under subparagraphs (B) and (C).”.

(2) MINIMUM TAX.—Paragraph (3) of section 55(b) is amended by striking subparagraph (C), by redesignating subparagraph (D) as subparagraph (E), and by inserting after subparagraph (B) the following new subparagraphs:

“(C) 15 percent of the lesser of—

“(i) so much of the adjusted net capital gain (or, if less, taxable excess) as exceeds the amount on which tax is determined under subparagraph (B), or

“(ii) the excess described in section 1(h)(1)(C)(ii), plus

“(D) 20 percent of the adjusted net capital gain (or, if less, taxable excess) in excess of the sum of the amounts on which tax is determined under subparagraphs (B) and (C), plus”.

(c) CONFORMING AMENDMENTS.—

(1) The following provisions are each amended by striking “15 percent” and inserting “20 percent”:

(A) Section 531.

(B) Section 541.

(C) Section 1445(e)(1).

(D) The second sentence of section 7518(g)(6)(A).

(E) Section 53511(f)(2) of title 46, United States Code.

(2) Sections 1(h)(1)(B) and 55(b)(3)(B) are each amended by striking “5 percent (0 percent in the case of taxable years beginning after 2007)” and inserting “0 percent”.

(3) Section 1445(e)(6) is amended by striking “15 percent (20 percent in the case of taxable years beginning after December 31, 2010)” and inserting “20 percent”.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsections (b) and (c) shall apply to taxable years beginning after December 31, 2010.

(2) WITHHOLDING.—The amendments made by paragraphs (1)(C) and (3) of subsection (c) shall apply to amounts paid on or after January 1, 2011.

SEC. 103. REPEAL OF SUNSET ON EXPANSION OF CHILD TAX CREDIT.

(a) REPEAL OF SUNSET ON MODIFICATIONS TO CREDIT.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to sections 201 (relating to modifications to child tax credit) and 203 (relating to refunds disregarded in the administration of Federal programs and federally assisted programs) of such Act.

(b) PERMANENT INCREASE IN REFUNDABLE PORTION OF CREDIT.—

(1) IN GENERAL.—Clause (i) of section 24(d)(1)(B) is amended by striking “\$10,000” and inserting “\$3,000”.

(2) CONFORMING AMENDMENT.—Subsection (d) of section 24 is amended by striking paragraph (4).

(3) ELIMINATION OF INFLATION ADJUSTMENT.—Subsection (d) of section 24 is amended by striking paragraph (3).

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2010.

SEC. 104. REPEAL OF SUNSET ON MARRIAGE PENALTY RELIEF.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to sections 301, 302, and 303(a) of such Act (relating to marriage penalty relief).

SEC. 105. REPEAL OF SUNSET ON EXPANSION OF DEPENDENT CARE CREDIT.

Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 204 of such Act (relating to dependent care credit).

SEC. 106. REPEAL OF SUNSET ON EXPANSION OF ADOPTION CREDIT AND ADOPTION ASSISTANCE PROGRAMS.

(a) REPEAL OF EGTRRA SUNSET.—Title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to section 202 of such Act (relating to expansion of adoption credit and adoption assistance programs).

(b) TECHNICAL AMENDMENTS RELATING TO EXPANSION UNDER PPACA.—

(1) REPEAL OF SUNSET.—Notwithstanding section 10909(c) of the Patient Protection and Affordable Care Act, title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 (relating to sunset of provisions of such Act) shall not apply to the amendments made by section 10909 of the Patient Protection and Affordable Care Act.

(2) CODIFICATION OF SUNSET.—

(A) REFUNDABLE CREDIT.—Section 36C is amended by adding at the end the following new subsection:

“(j) TERMINATION.—This section shall not apply to expenses paid in taxable years beginning after December 31, 2011.”.

(B) ADOPTION ASSISTANCE PROGRAMS.—

(i) IN GENERAL.—Section 137(b) is amended by adding at the end the following new paragraph:

“(4) SPECIAL RULE FOR 2010 AND 2011.—In the case of any taxable year beginning in 2010 or 2011, paragraph (1) and subsection (a)(2) shall each be applied by substituting ‘\$13,170’ for ‘\$10,000’.”.

(ii) INFLATION ADJUSTMENT FOR YEARS TO WHICH SPECIAL RULE APPLIES.—Paragraph (1) of section 137(f) is amended—

(I) by inserting “FOR 2011” after “LIMITATIONS” in the heading, and

(II) by striking “after December 31, 2010, each of the dollar amounts in subsections (a)(2) and (b)(1)” inserting “after December

31, 2010, and before January 1, 2012, the \$13,170 dollar amount in subsection (b)(4)”.

(iii) INFLATION ADJUSTMENT FOR OTHER YEARS.—Paragraph (2) of section 137(f) is amended—

(I) by inserting “AND DOLLAR LIMITATIONS FOR OTHER YEARS” after “LIMITATION” in the heading,

(II) by striking “the dollar amount in subsection (b)(2)(A)” and inserting “each of the dollar amounts in subsection (a)(2) and paragraphs (1) and (2)(A) of subsection (b)”, and

(III) by adding at the end the following new sentence: “This paragraph shall not apply to the dollar amounts in subsections (a)(2) and (b)(1) for any taxable year to which paragraph (1) applies.”.

(iv) CONFORMING AMENDMENTS.—Subsections (a)(2) and (b)(1) of section 137 are each amended by striking “\$13,170” each place it appears in the text and in the heading and inserting “\$10,000”.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall take effect as if included in section 10909 of the Patient Protection and Affordable Care Act.

(3) NON-REFUNDABLE ADOPTION CREDIT ALLOWED FOR YEARS TO WHICH REFUNDABLE CREDIT NOT APPLICABLE.—

(A) IN GENERAL.—Part IV of subchapter A of chapter 1 is amended by inserting after section 22 the following new section:

“SEC. 23. ADOPTION EXPENSES.

“(a) ALLOWANCE OF CREDIT.—

“(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter the amount of the qualified adoption expenses paid or incurred by the taxpayer.

“(2) YEAR CREDIT ALLOWED.—The credit under paragraph (1) with respect to any expense shall be allowed—

“(A) in the case of any expense paid or incurred before the taxable year in which such adoption becomes final, for the taxable year following the taxable year during which such expense is paid or incurred, and

“(B) in the case of an expense paid or incurred during or after the taxable year in which such adoption becomes final, for the taxable year in which such expense is paid or incurred.

“(3) \$10,000 CREDIT FOR ADOPTION OF CHILD WITH SPECIAL NEEDS REGARDLESS OF EXPENSES.—In the case of an adoption of a child with special needs which becomes final during a taxable year, the taxpayer shall be treated as having paid during such year qualified adoption expenses with respect to such adoption in an amount equal to the excess (if any) of \$10,000 over the aggregate qualified adoption expenses actually paid or incurred by the taxpayer with respect to such adoption during such taxable year and all prior taxable years.

“(b) LIMITATIONS.—

“(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) for all taxable years with respect to the adoption of a child by the taxpayer shall not exceed \$10,000.

“(2) INCOME LIMITATION.—

“(A) IN GENERAL.—The amount allowable as a credit under subsection (a) for any taxable year (determined without regard to subsection (c)) shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

“(i) the amount (if any) by which the taxpayer’s adjusted gross income exceeds \$150,000, bears to

“(ii) \$40,000.